



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

March 10, 2006

H.R. 409

Sierra National Forest Land Exchange Act of 2006

*As ordered reported by the Senate Committee on Energy and Natural Resources
on March 8, 2006*

CBO estimates that H.R. 409 would increase offsetting receipts and direct spending by less than \$100,000 in 2007. Enacting the legislation would not affect revenues. H.R. 409 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

H.R. 409 would authorize the Secretary of Agriculture to exchange 160 acres of federal land in California for 80 acres of privately owned land in that state. According to the Forest Service, the affected federal land currently generates no significant receipts and is not expected to do so over the next 10 years. Therefore, CBO estimates that conveying the property would not affect offsetting receipts from programs to develop natural resources.

Under the legislation, the private landowner would pay to the Secretary an amount sufficient to cover all direct costs for administering the exchange. Based on information from the Forest Service, CBO estimates such payments would not exceed \$50,000. The private landowner also would pay to the Secretary \$50,000 to equalize the value of lands involved in the exchange. Under the legislation, the Secretary could spend, without further appropriation, all amounts received from the private landowner to complete the exchange and to acquire other nonfederal land and interests in California. CBO estimates that any resulting net change in direct spending would be negligible.

As part of the authorized exchange, the Secretary would grant, without consideration, to the owner of a hydroelectric project an easement for the right to enter, occupy, and use a portion of the federal land that would be conveyed. H.R. 409 also specifies that the owner of that project would have the right of first refusal to obtain the affected land if it is subsequently sold. CBO estimates that those provisions would not affect federal spending.

The CBO staff contact for this estimate is Megan Carroll. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.